



SMALL BUSINESS ADMINISTRATION

The Commercial Marketing Representative Role Needs to Be Strategically Planned and Assessed

Highlights of [GAO-03-54](#), a report to Senator John Kerry, Chairman, Senate Committee on Small Business and Entrepreneurship, and Senator Max Cleland.

Why GAO Did This Study

Subcontracting on federal contracts is a large and growing marketplace for small businesses. The Small Business Administration's (SBA) Commercial Marketing Representatives (CMRs) have long been considered to be key to fostering small businesses' participation in subcontracts. GAO was asked to assess the role that CMRs are playing in administering SBA's subcontracting assistance program.

What GAO Found

CMRs are supposed to promote small business subcontracting in two primary ways. First, they review prime contractors' compliance with the requirements of their subcontracting plans—either through on-site visits to contractors or by simply reviewing their subcontractor activity reports. Second, they conduct various marketing activities, such as marketing small businesses to prime contractors.

In recent years, however, additional duties placed on CMRs have often taken priority over these responsibilities. In fact, in fiscal year 2000, 87 percent of the CMRs had other substantial responsibilities. Moreover, workloads and prime contractor coverage now vary greatly between CMRs. Additionally, CMRs are relying more on "desk" reviews of subcontractors' activity to monitor compliance with subcontracting plans as opposed to on-site reviews. This is a concern to some SBA officials who believe that on-site reviews are more thorough, though others believe the desk review offers the potential for greater coverage.

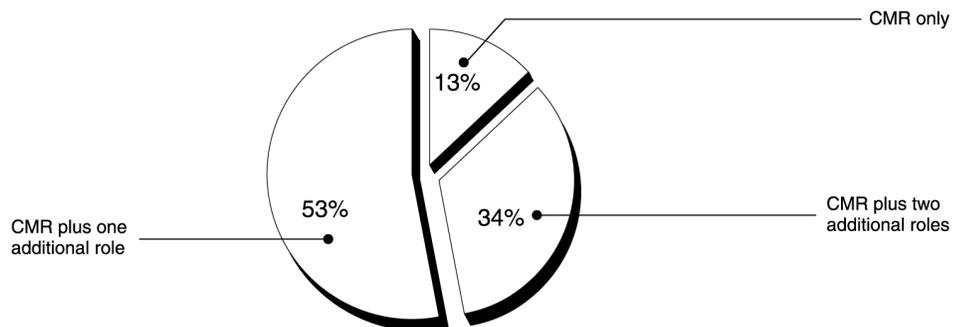
Declines in staffing and travel funds have contributed to the changing role of the CMR. With downsizing and retirements taking place and no staff assigned to replace lost personnel, the number of CMR full-time equivalents (FTEs) has decreased significantly and has resulted in workload imbalances.

What GAO Recommends

GAO is recommending that SBA strategically assess, evaluate, and plan the CMR role. In doing so, it should address such issues as the impact of assigning multiple roles to CMRs and the effectiveness of compliance-monitoring methods.

SBA neither concurred nor disagreed with GAO's recommendations. However, SBA did agree that it needs to rethink the CMR role and develop outcome and impact measures to better assess CMRs' effectiveness. SBA also objected to some of GAO's conclusions but did not provide sufficient evidence to support its objections.

While there are concerns about the changing nature of the CMR role, SBA has not strategically planned for these changes or assessed their collective impact. Instead, it has implemented ad hoc measures to deal piecemeal with resource declines. Unless steps are taken to better evaluate and plan for the future of CMRs, SBA will continue to lack an understanding of their contributions to small business subcontracting.



CMRs are increasingly taking on other roles and responsibilities